	Q&A
Prior to submission	• **Is the procedure aimed at the authorisation of acquisition of qualifying holding subject to a fee?** *The administrative service fee for the procedure aimed at the authorisation of the acquisition of qualifying holding in financial enterprises is HUF 400,000, except when the acquisition of qualifying holding takes place due to a change beyond the control of the applicant (e.g. inheritance, succession); in this case the administrative service fee is HUF 270,000.* • **How long is the administration deadline?** *The administration deadline is 60 working days, commencing on the day of issuing the acknowledgement of receipt.*
Application and annexes	IMPORTANT NOTICE! Prior to submitting the application you are kindly advised to read the general Q&A on the MNB's website on the Licensing/General information tab!
Application	• **On which form do I need to submit the application?** *For the submission of the application use form No. PVR_1005_v1 entitled "Application for the authorisation of the acquisition and increase of qualifying holding in financial enterprises", available through the ERA system, within the E-administration/Licensing service.*
Degree of the acquisition of qualifying holding subject to authorisation, voting right/ownership share	• **What counts as qualifying holding?** *Qualifying holding: a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking (Section 6 (1) of the Credit Institutions Act, Article 4(1)36 of Regulation 575/2013/EU). Entities* *a) wishing to acquire qualifying holding, or* *b) wishing to modify their qualifying holding to reach the limit of twenty, thirty-three or fifty percent, are obliged to apply to the MNB for authorisation (Section 126 (1)a) and b) of the Credit Institutions Act).* • **May the ownership share and the voting right be separated? Does it create a qualifying holding if only one of these reaches or exceeds the limit?** *The voting right should be taken into consideration in the same way as the ownership share; if either the voting right or the ownership share reaches the aforementioned limit, the authorisation procedure is mandatory.* • **Is it necessary to combine the holdings when close relatives acquire any share that is not**

	qualifying holding on its own? *Yes. In the case of natural persons, the ownership shares held or the voting rights exercised together with their close relatives must be combined.* • **How should the rate of the indirect holding be calculated?** *The entity with indirect holding should multiply its voting rights or ownership share in the intermediate undertaking by the higher of the intermediate undertaking's voting right or ownership share in the undertaking. If the voting right or ownership share in the intermediate undertaking exceeds fifty percent, it should be regarded as one whole (Annex 3 to the Credit Institutions Act).* • **What counts as indirect holding?** *Holding ownership share in or exercising voting rights in a company through another company that has ownership share or voting right in the first company.*
Customs, social insurance and tax clearance certificates, other declarations	• **What kind of documents should the applicant use to prove that it has no outstanding debt to the tax authority, customs authority, health insurance fund and pension insurance fund?** *The certificate, not older than 30 days, issued by the National Tax and Customs Administration **and** by the local government having competence based on the place of residence or registered office.* • **How non-resident acquirers of qualified holding can comply with their obligation to submit customs, social insurance and tax clearance certificates?** *It is a mandatory requirement that the foreign authorities should issue the certificate of appropriate content, even if the applicant is not subject to the customs authorities' proceedings in the respective country. In this case the MNB expects the respective authority to issue a negative statement to this effect.* • **Are natural persons required to make the declaration prescribed by Section 18 (2)h) of the Credit Institutions Act on the contingent and future liabilities under the Accounting Act?** *Natural persons do not fall within the Accounting Act, and thus they do not need to make the declaration.*
Confirming the legal origin and availability of the funds necessary for acquiring the qualifying holding	• **Is it necessary to submit a share sales contract/bid?** *Yes, this a mandatory annex without exception. Credit Institutions Act* • **What may be used as funds?** *The law contains no specific requirement in this respect, and thus it does not limit the*

	range of usable funds; however, pursuant to Section 18(2) of the Credit Institutions Act, the applicant must confirm the legal origin and availability of the financial resources. If the applicant is a company, the financial resources may primarily comprise its profit and retained earnings calculated in accordance with the Accounting Act, while in the case of natural persons this may be their confirmed income from previous years. Revenues from property sales or estate may also serve as funds for the acquisition of ownership share, if the availability thereof can be ascertained (e.g. property sales contract, bank transfer documents, grant of probate, etc.). *If a loan is necessary for the acquisition of the holding, the MNB also examines in all cases whether the lender had sufficient funds for the lending (with the exception of financial institutions engaged in lending based on a licence), and it is also examined from what source the borrower will repay the respective loan.* • **What are the basic rules of confirming the legality of the source of funds?** *E.g. personal income tax certificate issued in respect of previous years, sales contracts, non-appealable grant of probate, instrument confirming the payment of dividends should be submitted. When the acquisition is funded by a loan, the loan contract and the payments confirming/supporting the repayment should be submitted.* • **What are the basic rules of confirming the availability of the funds?** *It must be proved that the funds of legal origin are continuously available for the applicant from the date of the origination until the acquisition of the holding, i.e. the "legality" thereof must be maintained.* • **What rules do apply to the confirmation of legal origin and availability when the funds are provided through credit/loan?** *The lender may be a financial institution, company, or other non-natural person or natural person. In these basic cases the legal origin of the loan amount must be examined in different ways, and on the other hand the borrower must make it probable that the loan will be repaid.* *It is not necessary to examine separately the legal origin of loans from a financial*

	institution, it is regarded as such by default based on the loan contract to be submitted. Loan contract from a financial institution may be accepted, if the purpose thereof is in line with the acquisition of the qualifying holding. If the lender is a private individual, we examine his or her funds (whether he or she had sufficient funds to provide the loan). If the lender is a company or other non-natural person, it must be examined whether the entity has sufficient profit, retained earnings and liquid assets – not used for other purposes – that makes it capable of granting the loan. • **If the funds to be used for the acquisition of holding originates from inheritance/gift/ division of marital estate, what documents may be acceptable for the confirmation of legal origin and availability?** *In respect of the giver the MNB examines whether the giver obtained the amount used for the gift legally. The realisation of the transaction, i.e. the actual transfer of the gift, must be proved in this case as well. The income certificate issued by the National Tax and Customs Administration (NTCA) is suitable for this purpose. When the funds come from inheritance, the non-appealable grant of probate or court judgement must be attached. When the funds come from the division of marital estate the notarised, or countersigned by a lawyer, marital property agreement or a non-appealable court judgement must be attached to the application.* • **If only one of the spouses intends to participate in the foundation, but the funds to be used for this purpose is joint property, what should the other spouse do? Does she or he have to provide any document/make a declaration?** *Yes, in this case the other spouse must declare that he or she consents to the use of the appropriate part of the joint marital property for this purpose.* • **What documents should be used by non-resident acquirers for confirming the legal origin and availability of the funds?** *The basic logic of the rules is the same as the conditions applicable to resident applicants. It is necessary to confirm the legal origin and availability of the funds in the same way, with the proviso that the authentic translation of the foreign language documents must be attached without exception.*